

109TH CONGRESS
1ST SESSION

H. R. 3123

To amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain restaurant buildings.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2005

Mr. PASCRELL introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain restaurant buildings.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Independent Res-
5 taurant Appreciation Act”.

6 **SEC. 2. RECOVERY PERIOD FOR DEPRECIATION OF CER-**
7 **TAIN RESTAURANT BUILDINGS.**

8 (a) 10-YEAR RECOVERY PERIOD.—Subparagraph
9 (D) of section 168(e)(3) of the Internal Revenue Code of
10 1986 (relating to 10-year property) is amended by striking

1 “and” at the end of clause (i), by striking the period at
 2 the end of clause (ii) and inserting “, and”, and by adding
 3 at the end the following new clause:

4 “(iii) in the case of any non-franchise
 5 small business, any section 1250 property
 6 which is a retail restaurant facility.”.

7 (b) DEFINITIONS.—Subsection (e) of section 168 of
 8 such Code is amended by adding at the end the following
 9 new paragraphs:

10 “(8) NON-FRANCHISE SMALL BUSINESS.—The
 11 term ‘non-franchise small business’ means, with re-
 12 spect to any taxable year, any corporation, partner-
 13 ship, or sole proprietorship which—

14 “(A) is not a party to any franchise (with-
 15 in the meaning of section 1253(b)(1)) related to
 16 the furnishing of prepared meals which is in ef-
 17 fect at any time during such year, and

18 “(B) meets the gross receipts test of sec-
 19 tion 448(c) for the prior taxable year (or, in the
 20 case of a sole proprietorship, which would meet
 21 such test if such proprietorship were a corpora-
 22 tion).

23 “(9) RETAIL RESTAURANT FACILITY.—The
 24 term ‘retail restaurant facility’ means any building
 25 if more than 50 percent of the building’s square

1 footage is devoted to preparation of, and seating for
 2 on-premises consumption of, prepared meals.”.

3 (c) ALTERNATIVE SYSTEM.—The table contained in
 4 section 168(g)(3)(B) of such Code is amended by inserting
 5 after the item relating to subparagraph (D)(ii) the fol-
 6 lowing new item:

“ (D)(iii) 15”.

7 (d) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to property placed in service, and
 9 improvements made, after December 31, 2005.

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